

# EssentialLTC

Long Term Care  
Insurance Coverage

Designed For Your Needs



**National Guardian Life  
Insurance Company**

888.505.2332 | [www.ngl-essentialltc.com](http://www.ngl-essentialltc.com)

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### Committed to you

National Guardian Life Insurance Company (NGL) is focused on guiding people on their financial journey and helping them face life's financial challenges with confidence, dignity and grace. This is a true reflection of who we are and the values we believe in.

Our commitment to you is our main focus. We value our policyholders, offer high-quality products and provide superior customer service.

Visit us at [nglic.com](http://nglic.com) to learn more.

### Financial Stability

Our success reflects our focus on long term financial security for our policyholders and business partners.



Financial Strength  
**\$4.8 billion**  
of assets



**AM Best Rating**  
with stable outlook\*



**100 years** in the  
insurance industry

Financials as of 12/31/2020. NGL reported \$4.4 billion in consolidated liabilities for 2020. Ratings as of 03/24/2021.

\*This is a financial strength rating which is not an assessment or recommendation of specific policy provisions, premium rates or practices of the insurance company. A financial strength rating refers only to the overall financial status of the company and is subject to change. To view the company's most current financial rating, please go to [www.nglic.com](http://www.nglic.com).

# Why long term care planning is an important topic

Many people can expect to need long term care at some point in their lives. They may suffer from a disabling accident, chronic illness or be unable to complete simple activities such as dressing, bathing or moving around the house.

Receiving help for these activities can be expensive and may require the possibility of a loved one needing to provide care. Becoming a caregiver can impact their income, assets and lifestyle, just as much as it could impact the person they are caring for.

There is a big difference between caring about your loved one and caring for your loved one.

Many people use Long Term Care insurance as a way to cover future costs associated with these situations and help protect their assets and loved ones.

National Guardian Life Insurance Company (NGL) is here for you. EssentialLTC, our Long Term Care insurance option can help you prepare for life's financial journey.

## When do I need long term care?

It could be any reason at any point in your life. It's any scenario where you need help with at least two activities of daily living (bathing, continence, dressing, eating, toileting and transferring) for at least 90 days or are diagnosed with a severe cognitive impairment.\*

Buying Long Term Care insurance while you are healthy and younger allows for it to be more affordable. People 65 and older have a 70% chance of needing some type of long term care in their remaining years,<sup>1</sup> and an unfortunate diagnosis may limit you from qualifying for any coverage.

\*By definition of your policy Chronically Ill means you require: substantial assistance from an individual to perform at least two (2) Activities of Daily Living due to the loss of functional capacity for a period expected to last at least 90 days; or substantial supervision when you have a severe cognitive impairment to protect you or others from threats to health and safety.

1 ACL Administration for Community Living, 18 Feb. 2020. "How Much Care Will You Need?" [acl.gov/ltc/basic-needs/how-much-care-will-you-need](https://acl.gov/ltc/basic-needs/how-much-care-will-you-need).



# Coverage Options in Long Term Care

Creating a Long Term Care insurance plan can give you and your loved ones peace of mind that you have secured your future and the assets you worked so hard to save.

## Types of long term care

You have multiple options for long term care, from home and community care services to facilities that help care for you 24 hours a day/7 days a week.

1

### Home & community care services

Home care services allow you to live in your own home or return to your home by helping complete daily tasks you can't manage alone.

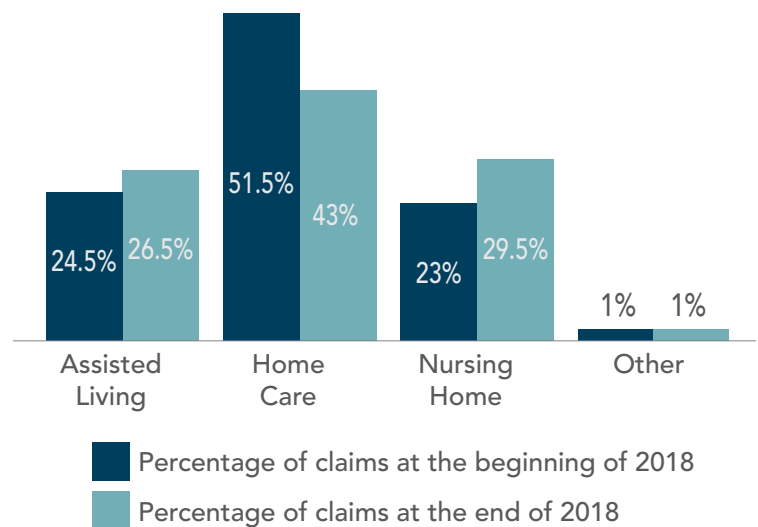
Adult day care is an option that provides a program of therapeutic and social services in a community group setting through an adult day care center.

2

### Facility care services

Facility care services include assisted living facilities which offer on-site support for the activities of daily living, and nursing facilities which offer more intensive care related to patient supervision, therapies, rehabilitation, and medication.

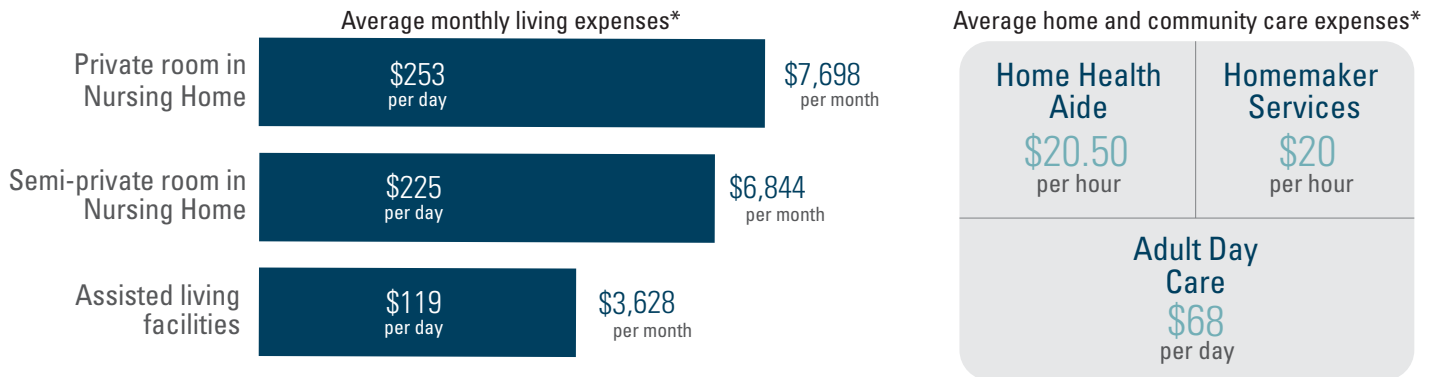
### Where Long Term Care insurance claims begin and end



Source: American Association for Long Term Care Insurance, January 2019

# Costs of long term care

With medical and technological advances, we are living better, healthier and longer lives. It is because of this longevity that we might need someone to help take care of us later in life. Living a long life has become a reality. Planning for it has become a necessity since long term care is expensive and costs are expected to increase each year.



\*2019 U.S. Department of Health and Human Services (longtermcare.acl.gov)

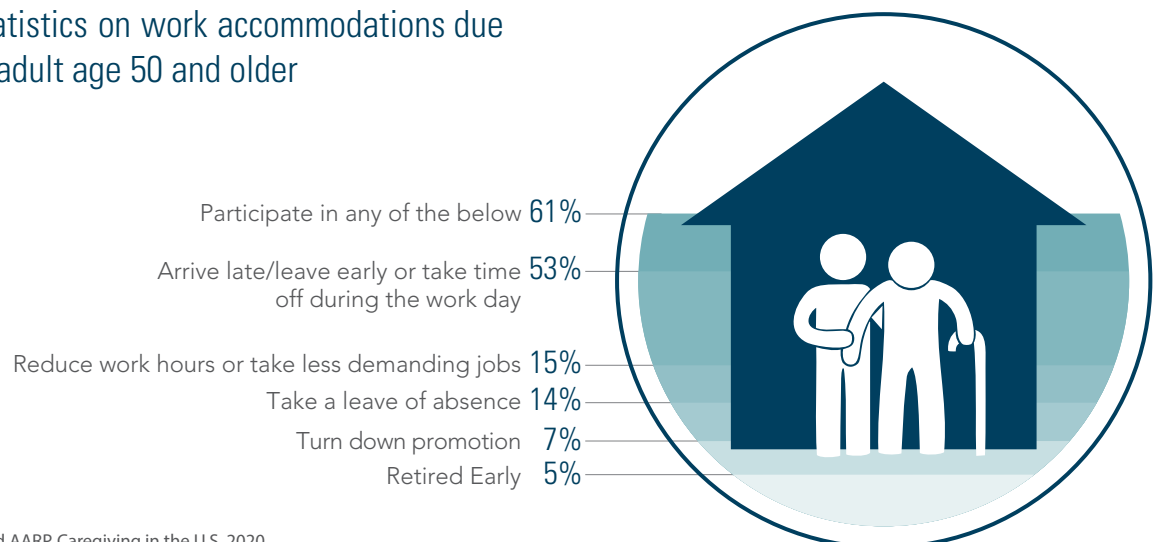
## Preserving your assets

Some people think they'll need less income in retirement because their children are grown, and the mortgage might be paid in full. But they find that in reality, they want or need to spend about as much as they always did - except that now it's on different things, including long term care costs. You've worked hard to build a comfortable life. Preparing now will help protect your assets and give you the peace of mind you deserve.

## Impact on family

The physical, financial and emotional burden placed on an unpaid caregiver, often a family member, is something to be seriously considered when determining your long term care plans.

Unpaid caregiver statistics on work accommodations due to caregiving for an adult age 50 and older



National Alliance for Caregiving and AARP, Caregiving in the U.S. 2020



# Flexible Payment Options

In addition to a lifetime premium payment duration, EssentialLTC also offers limited duration premium payment options to provide the flexibility to design a plan that works for your financial goals.

## 10-Year Premium

Premiums can be paid over a 10-year period, after which no further premiums will be due. Premiums under the 10-year premium option will never increase.

## Single Premium

Funded with a single premium payment after which no additional premiums are due, making the policy fully paid up, noncancelable, and not subject to rate increases.

## 1035 Exchange

You can use an existing non-qualified tax deferred annuity or life insurance policy. A 1035 Exchange provides a tax-free exchange of both the principal (basis) and tax-deferred gains in a non-qualified tax-deferred annuity and/or life insurance policy to pay for a tax-qualified Long Term Care insurance policy, which can provide tax-free benefits.



# Product Features

A comprehensive Long Term Care insurance policy provides 100% of Facility Care Services and/or Home and Community Care Services expenses incurred up to the Daily Benefit Amount selected. A Facility Care Services Only policy is also available in most states.



## Basic Benefit Choices

### Daily Benefit Amount

Benefit payments will be the actual daily charges incurred for Qualified Long Term Care Services, up to the Daily Benefit Amount shown on the policy schedule. The choices are between \$50 and \$300, in \$10 increments.\*

### Elimination Period

A one-time amount of days when benefit eligible, you receive Qualified Long Term Care Services, and is financially liable for care received before benefit payments begin. The choices are between 30, 90, or 180 days.\*\*

### Benefit Period

You can initially choose between a 2-Year and 3-Year Benefit Period, but can purchase additional coverage through the Benefit Period Extension Rider to extend the Benefit Period to either a 4-Year, 5-Year, 6-Year, or Lifetime Benefit Period.

\*Minimum daily benefit amount in VT is \$80 and in WI is \$60.

\*\* Maximum elimination period in VT is 90 days.

# Optional Benefit Choices

## Joint Pricing Structure

EssentialLTC offers a joint policy and premium for couples that can be comparable to the premium one individual would pay on their own – a feature that maximizes value for the premium dollar for couples.

## Benefit Period Extension Rider

Extends the 3-Year Benefit Period to either 4-Year, 5-Year, 6-Year, or Lifetime Benefit Period.

## Shared Benefit Amount Rider

One or both in the couple may need care for a longer period than provided by the joint policy they purchased. With this rider, the joint couple can have an extra layer of financial protection added to the policy they purchased. This rider provides a third pool of money for the joint couple to pull from in the event one or both individuals exhaust the benefits defined in their policy.

Each individual has their own Benefit Amount, and once either or both individuals exhaust their own Benefit Amount, a joint Shared Benefit Amount will become accessible.

## Riders To Help Protect Against Inflation

### Inflation Protection Options

The amount by which the Daily Benefit Amount and Benefit Amount will grow over the life of the policy. You can choose 3% compound or 5% compound.

## Riders Designed with Beneficiaries in Mind

### Limited Return of Premium Rider

Upon your death while the policy is in force, the total of premiums paid, less benefits received, will be paid to the beneficiary (second to die for joint policies).

### Limited Return of Premium with Optional Policy Surrender Rider

This rider includes all the features of the Limited Return of Premium Rider and allows you (both individuals under joint coverage) to surrender the policy for a lump sum payment that begins at 20% of total premiums paid on the first policy anniversary, increases to 40% on the second policy anniversary, increases to 60% on the third policy anniversary, and increases to 80% on the fourth policy anniversary and remains at 80% for the life of the policy.

The surrender value is reduced by the total of benefits received as claim payments. It is available as long as the individual(s) has/have not received benefit payments under the policy that total more than 365 days, the individual(s) is/are not currently receiving benefits, and the individual(s) has/have not filed a claim that is currently under consideration.

Premiums will vary with the choice of benefits selected. Product features may vary by state. To learn more about EssentialLTC's features and details, please speak with your insurance professional. Your application is subject to underwriting and a medical exam may be required to determine insurability.



## Optional Benefit Choices (continued)

### First Day Home and Community Care Services Benefit Rider

Under this rider, the Elimination Period required for Home and Community Care Services will be waived. If you satisfy the Payment of Benefits Provision under the Policy for Home and Community Based Services, no Elimination Period will be required and benefits will be payable on the first day you are qualified to receive benefits. Days on which Home and Community Care Services benefits are payable will also count toward the satisfaction of the Elimination Period for Facility Care Services.

### Shortened Benefit Period Nonforfeiture Rider

Provides a benefit when the policy remains in force for at least 3 years and lapses due to nonpayment of premium. Coverage will continue, and benefits will be payable until the total benefits payable is equal to the greater of: (a) the total of premiums paid for the policy and all riders; or (b) 30 times the daily benefit in effect on the date of lapse.



## Built-In Features

### International Benefits

For covered services outside the United States, its territories, or Canada, benefit payments will be the actual daily charges incurred, up to the Daily Benefit Amount, for up to 30 days per calendar year. Benefits paid will be subtracted from the Benefit Amount.

### Caregiver Training Benefits

If Home and Community Based Services are covered under the policy, benefits are payable for caregiver training if prescribed by your Plan of Care and provided by a person who will not be paid as a primary caregiver. The benefit is equal to five (5) times the Daily Benefit Amount. Benefits paid will be subtracted from the Benefit Amount.

### Care Coordination Benefits

Care coordination services are available upon request. A care coordinator can assess and coordinate appropriate care and services, provide assistance in developing a Plan of Care, maintain a continuing role in arranging and monitoring services being provided, and assist with necessary claims documentation.

## Built-In Features (continued)

### Waiver of Premium Rider

The base policy provides for the waiver of premium for Facility Care Services. This rider extends the waiver of premium to include Home and Community Care Services when comprehensive coverage has been selected. Once the payment of benefits begins for Facility Care Services or Home and Community Care Services, the payment of future premiums for the policy and any attached riders will be waived. Premium payments will again become payable on the next renewal date after you are no longer receiving benefits for Facility Care Services or Home and Community Care Services. The Waiver of Premium Rider will automatically be attached to your Policy if comprehensive coverage is selected.

### Emergency Response System Benefits

While receiving benefits for Home and Community Care Services, a reimbursement benefit of up to \$50 per month is available to install a residential device or system that provides a means of communication to request assistance in the event of a medical emergency. Benefits paid will be subtracted from the Benefit Amount.

### Respite Care Benefits

After you satisfy the conditions for Payment of Benefits, a benefit will be available to pay for each day of Respite Care Services that are received. Benefits will be paid for a maximum of 30 days per calendar year. This Benefit is not subject to the Elimination Period. Benefits paid will be subtracted from the Benefit Amount.

### Facility Bed Reservation Benefits

When you incur a temporary absence from a Nursing Facility or Assisted Living Facility, the actual daily charges incurred for a bed reservation up to the Daily Benefit Amount for a maximum of 30 days per calendar year will be paid. Benefits paid will be subtracted from the Benefit Amount.

### Contingent Benefit Upon Lapse\*

If premium rates are increased resulting in a cumulative increase of the annual premium equal to or exceeding the percentage of the initial annual premium as set forth in the table in the policy and the policy lapses within the grace period, then the following options become available:

1. the Daily Benefit Amount or Benefit Period may be reduced (subject to availability), or
2. the policy may be converted to a paid-up status with a Benefit Amount equal to the total of premiums paid and no less than 30 times the Daily Benefit Amount in effect on the date of lapse.

\*This explanation applies to policies with the Lifetime Premium Payment Option. For policies with the 10-Year Premium Payment Option, refer to the state-specific specimen policy.

# Policy Notes

## The Policy is Guaranteed Renewable\* for Life

To renew, pay the premium due by the premium due date or within the grace period. We cannot cancel or refuse to renew this policy. Premiums are subject to change. We can only change the premium for this Policy if we change premiums for everyone in your state with the same policy form. We will give you (owner if there is one designated under a Policy) at least 60 days written notice, at the last address shown in our records, before we change a policy's premium.

## Eligibility for Payment of Benefits

While the policy is in force, you are eligible for payment of benefits if you are Chronically Ill. This means that within the previous 12 months, you have been certified by a Licensed Health Care Practitioner as: being unable to perform without Substantial Assistance, at least two Activities of Daily Living for a period expected to last at least 90 days due to loss of functional capacity; or requires Substantial Supervision due to a Severe Cognitive Impairment.

## Payment of Benefits

While a policy is in force, benefits will be paid if: you satisfy Eligibility for Payment of Benefits; you satisfy any applicable Elimination Period shown on the policy schedule; you receive services covered under the policy pursuant to a Plan of Care; you are not receiving any other benefits covered under the policy; you have not been paid benefits that exceed the Benefit Amount shown on the policy schedule; you satisfy the requirement under the "filing a claim" section of the policy; the claim is not subject to any Limitation or Exclusions contained in the policy.

## Grace Period

Except for the first premium, there will be 31 days after each due date to pay the premium due. This policy remains in force during the grace period.

## Limitations and Exclusions

No benefits will be paid and the Elimination Period will not be satisfied for any confinement, care, treatment, or service(s):

- provided to you by a person in your family;
- provided outside the United States or its territories, or Canada, except as described under coverage outside the United States in the policy benefits section of the policy;
- for which you have no financial liability or that is provided at no charge in the absence of insurance;
- provided at a government or veteran's facility where you are not required to pay;
- provided as a result of alcoholism or drug addiction;
- resulting from attempted suicide or intentionally self-inflicted injury;
- resulting from war, an act of war or active duty in the armed forces; or
- resulting from participation in a felony, riot or insurrection.

The policy does not contain a pre-existing condition exclusion.

## Non-Duplication of Benefits

Benefits are not payable under the policy for: (a) expenses incurred to the extent that such expenses are reimbursable under Medicare or would be so reimbursable but for the application of a deductible or coinsurance amount; or (b) any other state or federal workers' compensation plan or other governmental program (except Medicaid).

For purposes of satisfying the Elimination Period, days on which you satisfy the conditions on Eligibility for Payment of Benefits, but coverage is excluded due to Non-Duplication of Benefits, will count toward satisfaction of the Elimination Period.

\*If there is no material misrepresentation on the application the policy will not be canceled.





A Long Term Care insurance policy explains a policy's coverage, limitations and exclusions, along with what a policyholder must do to keep the policy active and what might cause the policy to be discontinued. Please weigh any associated costs before purchasing. Consideration should be taken on whether this product is suitable for your long term care needs. This policy is intended to be federally tax-qualified (as defined by the Internal Revenue Code of 1986, §7702B(b)); you should consult with your attorney, accountant, or tax advisor regarding the tax implications of purchasing this Long Term Care insurance. For more information on policy costs and details of coverage, please contact your licensed insurance representative.

Please know that there is no guarantee this product will cover the entire cost of long term care as expenses will vary with each individual's needs.

All guarantees and benefits of the policy are backed by National Guardian Life Insurance Company and not by the broker/dealer selling the policy, or by any of their affiliates. This is an insurance solicitation. An insurance agent may contact you.

Product features and benefits may vary by state. Please refer to the policy for details regarding limitations and exclusions and non-duplication of benefits.

Long Term Care Policy Form: ICC16-NLTC100P, ICC18-NLTC100P-E

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